

To the Members of the California State Assembly:

I am returning Assembly Bill 1426 without my signature.

The Workforce Housing Reward Program funds, administered by the Housing and Community Development Department (HCD), were designed to be a statewide benefit to reward communities for real production of affordable housing.

This bill inappropriately sets aside \$1 million from this program to fund one regional county government, the Sacramento Area Councils of Government (SACOG), to implement their future affordable housing plan, which has not yet been determined.

This bill does not take into consideration whether similar plans exist in other regions of the State or whether similar rewards were considered to encourage other regions to enter into such plans. If other similar regional plans exist, providing a special reward for SACOG presents a fundamental unfairness because other regions would not receive the same set aside funding reward.

Additionally, setting aside valuable and depleting Proposition 46 funds for one region without going through the competitive bidding process would neglect other worthy plans for affordable housing in other parts of the state.

For these reasons I am unable to sign this legislation.

Sincerely,

Arnold Schwarzenegger